

As part of my weekly report as Chairman of the Republican Study Committee's Budget and Spending Task Force, I made note that according to the Congressional Budget Office's (CBO) December Budget Review, the first two months of FY 2009, the federal government has run a deficit of \$408 billion on a cas...

As part of my weekly report as Chairman of the Republican Study Committee's Budget and Spending Task Force, I made note that according to the Congressional Budget Office's (CBO) December Budget Review, the first two months of FY 2009, the federal government has run a deficit of \$408 billion on a cash flow basis, which is 163% above the level through the first two months of FY 2008.

CBO also notes a lower deficit figure of \$267 billion if TARP spending to date is accounted for instead on a *net present value basis*. Including TARP Spending, federal outlays have increased by 48% and receipts have decreased by 6%. The FY 2008 deficit was \$455 billion, the highest nominal deficit in U.S. history -- \$293 billion or 180% more than the FY 2007 deficit.

For both the current fiscal year and FY 2010, some economists predict deficits of more than \$1 trillion. To put this into perspective, a deficit of this magnitude would not only be the largest nominal deficit in U.S. history, but would also be the largest deficit as a percentage of GDP since World War II.